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## Canada

### Agricultural Situation

### This Week in Canadian Agriculture, Issue 5 2006

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**Report Highlights:**

Agriculture Minister Strahl To Host Meeting With National Farm Groups to Discuss WTO Position \* Hog Disease Issue Raised During Minister's Visit to Quebec \* Growth in Pork Exports Must be Offshore Says Industry Official \* Canadian Canola Finds A New Market \* Farmers Rally In Ottawa

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Includes PSD Changes: No  
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This Week in Canadian Agriculture is a weekly review of Canadian agricultural industry developments of interest to the U.S. agricultural community. The issues summarized in this report cover a wide range of subject matter obtained from Canadian press reports, government press releases, and host country agricultural officials and representatives.

*Disclaimer:* Any press report summaries in this report are included to bring U.S. readership closer to the pulse of Canadian developments in agriculture. In no way do the views and opinions of these sources reflect USDA's, the U.S. Embassy's, or any other U.S. Government agency's point of view or official policy.

**AGRICULTURE MINISTER STRAHL TO HOST MEETING WITH NATIONAL FARM GROUPS TO DISCUSS WTO POSITION:**

According to the *Canadian Press*, Canada's new agriculture minister, Chuck Strahl will meet in about two weeks in Ottawa with up to 50 national food and farm organizations to discuss a common position to take to World Trade Organization negotiations in Geneva this April. In bringing together industry leaders and trade negotiators, Strahl said that what needs to be done is to get national farm and agri-food organizations talking about a strong Canadian position that will defend the whole agricultural sector. "I want them to sit down and talk with one another, and with me, about the best way forward," the minister said. Strahl added that he hoped to come to a consensus on how to protect the interests of supply management. Over the past two weeks Strahl has been traveling and meeting with the provincial agriculture ministers.

**HOG DISEASE ISSUE RAISED DURING MINISTER STRAHL'S VISIT TO MEET QUEBEC AGMIN:**

In our story last week on the decline in competitiveness of the Quebec hog industry (CA6007), we mentioned the Quebec industry's struggle with an outbreak of a hog disease called post-weaning multisystemic wasting syndrome (PMWS). This week, the pig illness issue was raised when federal agriculture minister Chuck Strahl met with Yvon Vallieres, the agriculture minister for Quebec. "There is some evidence of (PMWS) in Ontario," Strahl told the media. "It's not a consistent problem through the farming community, some farms are more seriously affected than others." According to reports, PMWS killed about 200,000 pigs in Quebec in 2005, which represents 6% of total pork production in the province. It has been estimated that one-third of Quebec pork producers could be affected.

**GROWTH IN PORK EXPORTS MUST BE OFFSHORE, SAYS PORK GROUP PRESIDENT:** Canadian pork exports reached a record 1.1 million metric tons (carcass weight equivalent) during 2005, but Canadian Pork Council President Clare Schlegel says that the focus on future growth should be in non-NAFTA markets. Post noted earlier this month in the Semi-Annual livestock report that the Canadian domestic market is playing a smaller role in influencing Canadian pork production (see CA6004) and Schlegel told *Farmscape* this week that because demand for pork in Canada and the United States is static, the Canadian industry will need to pursue increased sales beyond North America. In 2005, the top offshore markets for Canadian pork were Japan, 28%; South Korea, 5%; Mexico, 4% and; Australia, 4%. The United States was the leading destination for Canadian pork exports accounting for 44% of total.

**CANADIAN CANOLA FINDS A NEW MARKET:** According to *FarmAssist*, the United Arab Emirates (UAE) has become a buyer of Canadian canola. The UAE is not a traditional market for Canadian canola, but Al Ghurair Foods, a processor in Dubai, has purchased 50,000 metric tons of canola over the last few months. The processor is reportedly moving most of the oil into Europe for the biodiesel sector. European and North American crushers have been unable to keep up with demand for canola oil from Europe's biodiesel sector. As a result, alternative crush capacity has been sought out, including Al Ghurair Foods. The additional market for Canadian canola is a bonus for an industry that has record canola stocks.

**FARMERS RALLY IN OTTAWA:** Ontario grain and oilseed farmers traveled to Ottawa earlier this week to bring their plight directly to the Minister of Agriculture. The farmers stated that they are losing money and are unable to compete with U.S. subsidies. The Minister recently indicated that the \$755 million announced to help grain and oilseed farmers will flow to producers shortly. In addition, the Minister has pledged to revamp the Canadian Agriculture Income Stabilization Program (CAIS) and replace it with a program that would better meet farmers' needs. Ontario producers would also like to see the federal government implement a new Risk Management Program, developed by the industry to replace the defunct Market Revenue Insurance, which was phased out as a result of the implementation of the Agricultural Policy Framework (APF). The proposed Risk Management Program (RMP) would

provide commodity-specific support and be a component of the CAIS program in order to attract federal money. Former Minister of Agriculture, Andy Mitchell, indicated that RMP did not fit with the direction in which farm income stabilization has moved over the last ten years. The Ontario grains and oilseed sector is hoping that the new Minister may reconsider.

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CA6003	This Week in Canadian Agriculture, Issue 2	01/24/2006
CA6002	This Week in Canadian Agriculture, Issue 1	01/13/2006
CA6001	Grain and Feed Quarterly	02/03/2006

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